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REMARKS

Claims 12-24 were rejected under 35 USC § 101 as being directed to non-statutory
subject matter. Claims 1-11 and 25-28 were allowed. Claims 12-24 would be allowable
if rewritten or amended to overcome the rejection(s) under 35 USC § 101.

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Claims 12-24 are being amended to more clearly recite that the method is computer-
implemented. Thus the claimed invention of amended claims 12-24 includes a series of
steps to be performed by a computer or similar device.

10   Significant post-computer process activity is claimed in claim 12. Claim 12 recites:

transacting the trade for the trading element modified by the maximum combination of elements,

Transacting the trade can involve transfer of goods and services between buyer and
seller. Thus a significant post-processing activity is claimed in claim 12.

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In view of the above, it is submitted that claims 1-28, as amended, are in a position for
allowance. Applicant believes that a full and complete response to the office action has
been made. Reconsideration and re-examination is respectfully requested. Allowance of
the claims at an early date is solicited.

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If the Examiner believes that a telephone interview would expedite prosecution of this
application, he is invited to telephone the undersigned at (831) 476-5506.

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NH-2

VERSION WITH MARKINGS TO SHOW CHANGES MADE

In the Claims

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1.   A multi-party trading system comprising:

trading agents, coupled to trading partners that provide or consume trading elements,
    for representing the trading partners in an electronic exchange;

value managers, coupled to the trading agents, each for storing and managing true

10   values, the true values being defined by a trading partner to represent value of
        the trading elements as perceived by the trading partner;

a trade manager, coupled to the trading agents and receiving the true values from the
        value managers, for conducting trades at the electronic exchange, the trade
        manager receiving buyer true values from trading agents representing buyers

15   that consume a trading element and seller true values from trading agents
        representing sellers that provide the trading element, the trade manager
        generating a net value as a difference of the buyer true values and the seller true
        values; and

a revenue manager, coupled to the trade manager to receive the net value, for allocating

20   the net value among the trading partners representing the buyers and the sellers,
whereby the net value is allocated among buyers and sellers.

2.   The multi-party trading system of claim 1 wherein the buyer pays less than the
        buyer true value for the trading element;

25   wherein the seller receives more than the seller true value for the trading element,
        whereby the buyer and seller trade at better prices than their true values when a trade is
        conducted by the electronic exchange.

3.   The multi-party trading system of claim 1 wherein the revenue manager
       allocates:
          a first portion of the net value to a trading partner representing a seller of the
               trading element,
5   a second portion of the net value to a trading partner representing a buyer of the
               trading element,
whereby the net value is allocated to both the buyer and the seller.

4.   The multi-party trading system of claim 3 wherein the first portion and the
10   second portion are equal,
whereby the buyer and seller equally share portions of the net value.

5.   The multi-party trading system of claim 3 wherein the revenue manager also
          allocates a third portion of the net value to the electronic exchange,
15 whereby the electronic exchange receives a portion of the net value, the net value being
the difference between the seller true values and the buyer true values for the trading
element.

6.   The multi-party trading system of claim 3 wherein the true values vary with
20   attributes of the trading elements, the value managers providing a plurality of
          true values for a trading element that is modified by several of the attributes,
whereby the value managers adjust the true values to account for attributes that modify
a trading element.

25 7.   The multi-party trading system of claim 6 wherein the trade manager selects
           attributes and attribute values of the attributes for a trading element to maximize
           a net value, the net value being a difference of buyer true values received from
           trading agents representing buyers and seller true values received from trading
           agents representing sellers of the trading element,

whereby the trade manager maximizes net value when selecting attributes of the trading element.

8.   The multi-party trading system of claim 6 wherein the value managers store a
base value for a trading element and delta values that adjust the base value when
the trading element is modified by the attributes,

whereby multiple values are stored for the trading element modified by the attributes.

9.   The multi-party trading system of claim 6 wherein a trade includes multiple
trading elements, multiple trading agents representing multiple buyers and
multiple sellers,

wherein the trade manager generates the net value for each of the multiple trading
elements,

whereby multiple-aspect trades are managed.

10.   The multi-party trading system of claim 3 wherein the trade manager identifies a
trading protocol, the trade manager informing the trading agents of the trading
protocol.

11.   The multi-party trading system of claim 3 wherein the trade manager selects
participating trading agents from the trading agents, the participating trading
agents providing or consuming a trading element, the participating elements
sending true values of the trading element to the trade manager,

whereby the trade manager selects the participating trading agents for a trade.

12. (twice amended)   A <u>computer-implemented</u> method for conducting a trade
comprising:

receiving offers from trade agents for a trading element to be exchanged in the trade,
the trade agents representing trading partners in the trade;

for each offer received from a trade agent, receiving a plurality of true values, the true

values representing differing valuations the trading partner places on the trading

element when modified by attributes;

comparing the offers received for the trading element by comparing true values for a

5   plurality of combinations of the attributes;

selecting a maximum combination of the attributes, the maximum combination being a

combination of the attributes that maximizes a cumulative net value, the

cumulative net value being a difference between a buyer-sum of true values

from trade agents for buyers and a seller-sum of true values from trade agents

10   for sellers for the trading element modified by a combination of the attributes;

transacting the trade for the trading element modified by the maximum combination of

elements,

whereby the cumulative net value is maximized when selecting attributes of the trading

element being traded.

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13. (amended)   The computer-implemented method of claim 12 further

comprising:

notifying the trade agents of the combination of attributes of the trading element

selected,

20   whereby the attributes selected for the trade are reported to the trade agents of the

buyers and of the sellers.

14. (amended)   The computer-implemented method of claim 12 wherein the

attributes are associated with attribute values, the attribute values defining a

25   configuration of an attribute of the trading element;

further comprising:

receiving attribute values from the trade agents with the offer,

whereby attribute values are submitted with the offers.

15. (amended)   The computer-implemented method of claim 12 wherein

    transacting the trade is performed when the cumulative net value is non-

    negative;

when the cumulative net value is negative, notifying the trade agents that submitted the

5   offers that no deal could be transacted,

whereby the trade agents are notified when no deal is made.

16. (amended)   The computer-implemented method of claim 15 wherein the trade

    agents are notified of true values that a deal could be transacted at when the

10   cumulative net value is negative,

whereby feedback of true values is provided when no deal is made.

17. (twice amended)   The computer-implemented method of claim 12 wherein

    when the cumulative net value is positive, the method further comprising:

15 allocating the cumulative net value among the buyers and sellers and an exchange that

    conducts the trade,

whereby the cumulative net value is allocated among trading partners and the exchange.

18. (twice amended) The computer-implemented method of claim 12 further

20   comprising:

allocating a remainder of the cumulative net value after an allocation to the exchange by

    dividing the remainder equally among all buyers and sellers participating in a

    trade,

whereby the remainder of the cumulative net value is divided equally.

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19. (amended)   The computer-implemented method of claim 12 further

    comprising:

allocating a remainder of the cumulative net value after an exchange allocation by

    dividing the remainder in proportion to weightings among the buyers and sellers

30   participating in a trade,

whereby the remainder of the cumulative net value is divided according to the

weightings.

20. (amended)   The computer-implemented method of claim 12 further

5   comprising:

allocating a remainder of the cumulative net value after an exchange allocation by

dividing the remainder among the buyers and sellers participating in a trade in

relation to an amount of value created by the buyer or seller,

whereby the remainder of the cumulative net value is divided according to contribution

10   to value.

21. (amended)   The computer-implemented method of claim 20 further

comprising:

determining a first sum of the true values of the trading partners participating in the

15   trade;

multiplying the cumulative net value by the true value of a trading partner and dividing

by the first sum to generate a weighting for the trading partner; and

using the weighting to allocate a portion of the remainder to the trading partner,

whereby the remainder is allocated based on value-creating weightings.

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22. (amended)   The computer-implemented method of claim 12 wherein the

trading element is a product or a service.

23. (amended)   The computer-implemented method of claim 12 further

25   comprising:

identifying a service category associated with the trading element;

identifying possible trading partners in the service category;

sending a request to the trade agents for each of the possible trading partners in the

service category;

adding a possible trading partner to the trade when the possible trading partner accepts
   the request,

whereby other possible trading partners are invited to participate in the trade.

5   24. (amended)   The <u>computer-implemented</u> method of claim 12 further
        comprising:

receiving a list of trading partners from an initiating trading partner that initiates the
   trade,

whereby the trade is initiated by the initiating trading partner who specifies other

10   trading partners.

25.   A computer-program product comprising:

a computer-usable medium having computer-readable program code means embodied
        therein for creating value in an electronic trade, the computer-readable program

15   code means in the computer-program product comprising:

trading agent means, coupled to trading partners, for representing the trading partners
        in the electronic trade;

value manager means, coupled to the trading agent means, for managing true values,
        the true values being varying values of a product with varying attributes, the

20   varying values being values of the products as perceived by the trading partners,
        the true values not being revealed to other trading partners;

wherein each trading agent submits a plurality of true values for the product
        corresponding to the varying attributes;

trade manager means, coupled to the trading agent means and receiving the true values

25   from the trading agent means, for comparing true values from buyers and from
        sellers for various sets of attributes;

net value generator means, coupled to the trade manager means, for generating a net
        value for each set of attributes, the net value being a difference of a buyer sum
        and a seller sum, the buyer sum being a sum of the true values from trading

30   agents representing buyers, the seller sum being a sum of the true values from

trading agents representing sellers, the buyer sum and the seller sum being

evaluated for a specific set of attributes;

maximizer means, coupled to the trade manager means, for finding a set of attributes

that maximizes the net value; and

5   transaction reporter means, coupled to the trade manager means, for reporting the set of

attributes that maximized the net value,

whereby the net value is maximized by selecting sets of attributes of the product.

26.   The computer-program product of claim 25 wherein the computer-readable

10   program code means further comprises:

revenue manager means, coupled to the trade manager means, for allocating the net

value among the trading partners and among an electronic exchange that hosts

the electronic trade,

whereby the net value is allocated among trading partners and the electronic exchange.

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27.   The computer-program product of claim 26 wherein the computer-readable

program code means further comprises:

weighting means, coupled to the revenue manager means, for allocating the net value

among the trading partners based on weightings for each of the trading partners

20   participating in the electronic trade,

whereby the net value is allocated based on weightings.

28.   The computer-program product of claim 27 wherein the computer-readable

program code means further comprises:

25   contribution means, coupled to the weighting means, for generating the weightings for

the trading partners based on contribution to the net value, the contribution

means including sum means for generating a STV sum of the true values of the

trading partners participating in the electronic trade, the contribution means

generating the weighting for a trading partner by dividing the true value from

30   that trading partner with the STV sum,

whereby the net value is allocated based on contribution to the net value by each trading partner.

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